

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

**ATTORNEY FEE APPLICATION COVER SHEET**

IN RE: APPLICANT:  
SHAPES/ARCH HOLDINGS L.L.C., *et al.* Cole, Schotz, Meisel,  
Forman & Leonard, P.A.  
CASE NO.: 08-14631 (GMB) CLIENT: Official Committee of Unsecured  
Creditors  
CHAPTER: 11 CASES FILED: March 16, 2008

COMPLETION OF THIS FORM CONSTITUTES A CERTIFICATION  
UNDER PENALTY OF PERJURY. RETENTION ORDER ATTACHED.

/s/ Michael D. Sirota 6/12/08  
MICHAEL D. SIROTA Date

**SECTION I  
FEE SUMMARY**

Second Monthly Fee Statement Covering the Period  
May 1, 2008 through May 31, 2008

Total Previous Fees and Expenses Requested: \$271,122.40  
Total Fees and Expenses Allowed to Date: \$0.00  
Total Retainer (if applicable): N/A  
Total Holdback (if applicable): N/A  
Total Received by Applicant: \$0.00

	Name of Professional and Title	Year Admitted	Hours	Rate	Fee
1.	Michael D. Sirota, Member	1986	26.70	\$625.00	\$16,687.50
2.	Ilana Volkov, Member	1991	92.10	450.00	41,445.00
3.	Warren A. Usatine, Member	1995	16.50	450.00	7,425.00
4.	Sheryll S. Tahiri, Associate	1999	4.10	325.00	1,332.50

	Name of Professional and Title	Year Admitted	Hours	Rate	Fee
5.	Felice R. Yudkin, Associate	2005	13.80	240.00	3,312.00
6.	Daniel S. Zavodnick, Associate	2007	1.60	195.00	312.00
7.	Frances Pisano Paralegal	N/A	.30	215.00	64.50
8.	Cynthia Braden, Paralegal	N/A	20.40	165.00	3,366.00
	TOTALS		175.50		\$73,944.50

FEE TOTALS (Page 3)	\$73,944.50
DISBURSEMENTS TOTALS (Page 4)	\$2,925.85
TOTAL FEE APPLICATION	\$76,870.35

**SECTION II  
SUMMARY OF SERVICES**

Services Rendered	Hours	Fee
(a) Telephone Calls	4.90	2,297.50
(b) Correspondence Drafted	25.60	10,438.00
(c) Correspondence Reviewed	39.10	16,639.00
(d) Legal Research	0.60	117.00
(e) Court Appearance	34.50	15,210.00
(f) Preparation of Pleadings and Briefs	24.20	11,110.50
(g) Internal Office Meetings:		
(1) solely w/applicant's staff	1.80	345.00
(2) third party conferences	12.40	5,580.00
(h) Out of Office Meetings	1.00	450.00
(i) Review of File	1.10	181.50
(j) Travel Time	19.00	8,399.50
(k) Prepare for Court Appearance	4.20	1,716.50
(l) Preparation of Fee Application	7.10	1,460.00
<b>SERVICES TOTALS</b>	<b>175.50</b>	<b>\$73,944.50</b>

**SECTION III  
SUMMARY OF DISBURSEMENTS**

Disbursements		Amount
(a)	Telephone	\$631.80
(b)	Photocopying: No. of Pages: 2,004 Rate per Page: \$.20	400.80
(c)	Travel (attach details - U.S. Govt. Rate)	
	Miles/Tolls	535.45
	Public Transportation	284.80
	Rail	676.00
	Meals	62.75
		1,559.00
(d)	Other (explain):	
	Copy of Official Documents	0.00
	Service of Process/Subpoena	0.00
	Luncheon/Dinner Conference	12.82
	Westlaw	321.43
		334.25
DISBURSEMENT TOTAL		\$2,925.85

**SECTION IV  
CASE HISTORY**

(NOTE: Items (3) through (6) are not applicable to applications under 11 U.S.C. § 506)

- (1) Date cases filed: March 16, 2008
- (2) Chapter under which cases commenced: Chapter 11
- (3) Date of retention: Order signed April 25, 2008, effective March 31, 2008  
(Annex copy of order(s).) **See Exhibit A.**  
If limit on number of hours or other limitations to retention, set forth: N/A
- (4) Summarize in brief the benefits to the estate and attach supplements as needed:
  - (a) Continued to prosecute Committee's objection to the Debtors' motion to obtain post-petition financing from Arcus ASI Funding, LLC and Arcus ASI, Inc. ("Arcus") and the Debtors' initial plan of reorganization with Arcus as the Plan funder including, but not limited to, preparation for the hearing, attendance at numerous Court hearings and numerous conferences and e-mail communications with the Committee, co-counsel for the Committee, and counsel for the Debtors;
  - (b) Reviewed, revised and negotiated loan agreements relating to the Debtors' post-petition financing facilities with The CIT Group/Business Credit, Inc., as agent for itself and for JP Morgan Chase Bank, N.A. and Textron Financial Corporation ("CIT") and Arch Acquisition I, LLC ("Arch") and proposed forms of Orders approving same, including documents related to the pay-off of Arcus' debtor-in-possession loan;
  - (c) Reviewed and commented on numerous versions of the Debtors' Amended and Modified Joint Disclosure Statement and Plan of Reorganization, reviewed objections to the Disclosure Statement, reviewed and negotiated the form of Order approving the Disclosure Statement and attended the hearing on the approval of the Disclosure Statement;
  - (d) Reviewed, commented on and negotiated the Debtors' Motion pursuant to 11 U.S.C. §§ 105(a), 1123 and 1129 and Bankruptcy Rule 2002 for an order approving: (a) the Competitive Process for the sale of the reorganized Debtors' equity under the terms and conditions of the Debtors' Second Amended Plan of Reorganization; and (b) approving a Break-Up Fee and an Expense Reimbursement and proposed Order approving same and attended Court hearing thereon;

(e) Reviewed and commented on the Debtors motion for an order setting a bar date for filing administrative claims against the estate and proposed Order granting same; and

(f) Conducted investigation into the extent, validity and priority of CIT's liens.

**INVOICES ITEMIZING SERVICES RENDERED AND OUT-OF-POCKET EXPENSES INCURRED ARE ATTACHED AS EXHIBITS "B" AND "C", RESPECTIVELY.**

(5) Anticipated distribution to creditors:

(a) Administration expense: Per Plan

(b) Secured creditors: Per Plan

(c) Priority creditors: Per Plan

(d) General unsecured creditors: Per Plan

(6) Final disposition of cases and percentage of dividend paid to creditors (if applicable): The Court has approved the Debtors' Joint Disclosure Statement for the Debtors' Third Amended Joint Plan of Reorganization and has fixed July 8, 2008, as the hearing on confirmation of the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization. Although the bar date for general unsecured claims has passed, the final dividend percentage to general unsecured creditors is unknown at this time because the Debtors have not filed any motions objecting to claims.